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Office Memorandum • UNITED STATES GOVERNMENT

"EYES ALONE"

DATE 23 February 1949

TO : []

FROM : Chief, Contact Branch

SUBJECT: ⁰ Nicholas Malaxa

Attached is copy of memorandum from our New York Office, dated 17 February 1949, concerning subject. This supplements our memorandum to you dated 17 February 1949, in which we enclosed copies of pleadings in a law suit pending in New York entitled "Mircea Grossu vs. Nicholas Malaxa".

for [] []

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CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2004 2006

REGISTRY COPY []

17 February 1949

Nicholas Malaxa

1. The following information on subject was procured from executives of a US financial institution.
2. Nicholas Malaxa was introduced to us by a Frenchman who is known to one of our junior executives. The Frenchman said that subject was a Roumanian of Greek origin and that he had been "the industrial king of Roumania".
3. We wanted to look him over so the Frenchman brought him to lunch with us about three weeks ago. He said he wanted to buy control of a US company, preferably in heavy industry with which he said he was most familiar, and that he had between \$3,000,000 and \$5,000,000 for the purpose. He stated that he did not necessarily want the whole company - only effective stock control, and wanted us to look around for such a situation. He further said that the Communists had deprived him of his Roumanian citizenship and that he hoped to become a US citizen soon. We have heard that a private bill in his behalf is being introduced in Congress.
4. Subject went on to say that he had made all the railroad rolling stock in Roumania, all the Diesel engines, all the pipe lines, and that he owned all the iron works. He then delivered an oration against Communism.
5. We then asked him to furnish more information about himself. We also told him that if we found a company and a deal was made, we did not want a commission but that we would expect his banking business.
6. Subsequently subject sent us some further information on himself which was entirely self laudatory and inadequate - it made no mention of his political leanings or affiliations. He is, according to our information, 62 years old, speaks no English, but speaks good French, some German, and of course, Roumanian.
7. We then talked with an industrial source who is, by background and experience, very familiar with Roumania and Roumanian personalities. He gave us an earful about subject, saying that he was a great industrial and financial success in Roumania, that he had no scruples and had attempted to play along with all political parties; that he had cut King Carol and his ministers in on his deals and that when the Communists came into power he had become intimate with their cabinet ministers. He also said that subject had been close to the Iron Guard and to the Goering interests in Germany during World War II; and that when the iron works belonging to subject were expropriated by the Communists he received \$2-3,000,000 in lei for them and was permitted to buy goods with these

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lei, export them and hold the foreign exchange proceeds. (The Frenchman told us that it was by this method subject acquired his funds and that he has between \$12,000,000 and \$15,000,000 in dollars and Swiss francs.)

8. He further told us that some time ago the American Minister in Bucharest had reported unfavorably on subject to the US State Department, but that apparently he still enjoys considerable favor in Washington. According to source, subject arranged the delivery of several automobiles to various Washington officials. Senator Baldwin of Connecticut is supposed to have intervened in subject's behalf.

9. He said that subject had an engineer working for him in Roumania who subsequently got a job in Brazil. Subject secured the engineer's entry to the US, but is now being sued by the engineer for funds which the engineer allegedly advanced to refugees in behalf of subject. It is rumored, according to source, that subject is supporting refugees of various political colors. He lives in a large suite occupying one whole floor of the Sherry Netherland Hotel in New York. A visitor, upon ringing the bell, is admitted cautiously by a sinister looking man servant, and is then escorted through several antechambers and scrutinized by more sinister looking henchmen, until finally ushered into the presence of subject, who treats the visitor as if subject were an oriental potentate.

10. A second source told us that subject had also moved funds out of Roumania through the Jewish Relief Organization and a triangular transaction in France. He is supposed to have made the exchange at 400 francs to the dollar and French government officials are supposed to be familiar with the deal.

11. We (executives of the financial institution) have been informed that subject was introduced to Lehmann Bros., New York City and that Lehmann Bros. introduced subject to the firm of Sullivan and Cromwell, lawyers. However, we have also been informed that Sullivan and Cromwell, having been told of subject's reputation, have had no further dealings with him. We know that subject has talked with the foreign department of the Chase National Bank. We do not know whether subject has an account either with Lehmann Bros. or with the Chase National Bank and we do not know where his Swiss francs are on deposit.

J. R. H.

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